

APPENDIX B
ROCHESTER TELEPHONE CORPORATION
POSTRETIREMENT WELFARE BENEFITS VALUATION
AS OF JANUARY 1, 1992
SUMMARY OF KEY BENEFIT PROVISIONS

	ELIGIBILITY	MONTHLY MEDICAL PREMIUMS	DURATION OF COVERAGE	PAID UP LIFE INSURANCE BENEFIT	MONTHLY TELEPHONE DISCOUNT	RETIREMENT ACCOUNT
ROCHESTER TELEPHONE MANAGEMENT	Age 50 & 25 Years of Service Age 55 & 20 Years of Service 30 Years of Service Age 65 & 5 Years of Service	Retiree <65: \$109.33 Spouse <65: \$132.75 Individual ≥ 65: \$58.97	Retiree: Life Spouse: Life of Retiree	Yes	\$36.75	\$125.00/year
ROCHESTER TELEPHONE NON-MANAGEMENT - CWA	Same as Rochester Telephone Management	Retiree <65: \$109.33 Spouse <65: \$132.75 Individual ≥ 65: \$58.97	Retiree: Life Spouse: Life of Retiree	Yes Frozen @ \$28.60	\$36.75	\$125.00/year
ROCHESTER TELEPHONE NON-MANAGEMENT - RTWA	Same as Rochester Telephone Management	Retiree <65: \$109.33 Spouse <65: \$132.75 Individual ≥ 65: \$58.97	Retiree: Life Spouse: Life of Retiree	Yes Frozen @ \$29.90	\$36.75	\$125.00/year

Attachment B



October, 1987

Dear Management Employee:

The enclosed pages, that update employee benefits for management employees, should be inserted into your copy of the orange loose leaf binder entitled, "Your Book of Benefits."

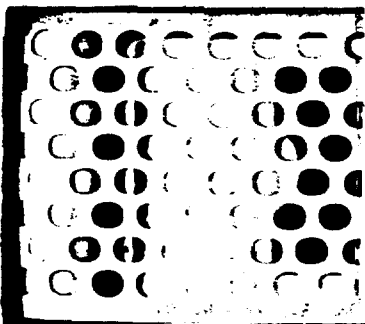
Included is a summary of the benefits provided to you by all of Rochester Telephone Corporation's management benefit plans. Full plan details are available upon request. Additionally, many other important benefits provided for and/or available to you are outlined for your periodic reference.

Please review the updated booklet carefully and share it with your family. If you have any questions, please call your Benefit Office at 323-7133.

Sincerely,



L. Thomas Neugebauer
Manager - Benefits and Payroll



SECTION II - BENEFITS DURING RETIREMENT

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~~SEE PENSION LEAVE OF ABSENCE~~

SERVICE PENSIONS

You are eligible for a Service Pension if you are a regular full-time or part-time employee and meet the following requirements:

Age	Years of Service
65 or over	5 or more
55	20
Any Age	30
50	25 - reduced service pension

Participation and Service

Every management employee is eligible to become a participant on the first day of the month after having attained age 21 and completing one year of service.

Any employee who is age 60 or over on his or her Employment Commencement Date is eligible for a benefit only after completing 5 or more years of service.

Survivor Benefit

Your Pension Plan includes a Survivor Benefit that automatically provides your spouse with a lifetime monthly income equal to 50% of your retirement income. In order to provide these payments, you will receive a pension reduced by 10%.

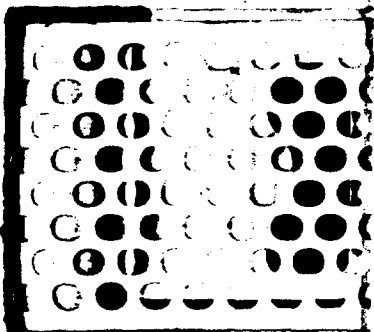
If your spouse predeceases you, your pension is restored to the full amount before the reduction for this benefit, starting with the pension payment for the month following the death of your spouse.

Your Survivor Benefit is automatic if you are married at the time of retirement. If you would like to waive this benefit, your spouse must complete a form that requires a notarized signature. The forms are available in the Benefit Office.

Pension Definitions

When you retire, your pension will be calculated in one of two ways, depending on whether you are a MOST participant. To understand how these formulas work, it is important to know the definitions of the following terms as they are used in the formulas.

1. "Five-Year Average" - as used throughout this Summary - means the average of your last five years' rates of base pay including bonuses.

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2. "Service" means the total number of calendar years in which you work 1000 hours or more for the Company. If you worked a minimum of 1,000 regularly scheduled hours during your first year of employment, that year will be considered as a full year for your pension calculation. Similarly, the year during which you go on pension will be considered as a full year if the hours worked plus used and unused vacation, holidays and Pre-pension Leave total at least 1,000 hours. Credit for 1,000 hours is calculated at a rate of 45 hours per week.
 3. "Social Security Wage Base" - amount of annual income subject to FICA taxation during the year prior to retirement.

PENSION FORMULAS

The following describes the current pension formulas.

1. Formula For Employees Not Participating in MOST:

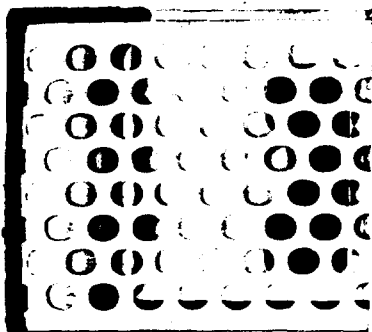
- A. If five year average is less than or equal to the Social Security wage base:

1.39% of five year average pay
times
all years of service

- B. If five year average exceeds the Social Security wage base:

1.39% of Social Security Wage Base
times
all years of service
(plus)

1.54% of five year average pay in excess
of Social Security wage base
times
all years of service



2. Formula For Employees Participating in MOST:

A. If five year average (minus MOST five year average) is less than or equal to the Social Security wage base:

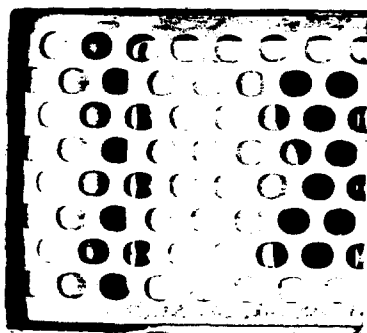
1.39% of five year average pay (minus MOST five year average)
times
all years of service
(plus)
1.54% of MOST five year average
times
all years of service

B. If five year average (minus MOST five year average) exceeds the Social Security wage base:

1.39% of Social Security Wage Base
times
all years of service
(plus)
1.54% of five year average (including MOST) in
excess of the Social Security wage base
times
all years of service

Retirement Before Age 55

If you retire before age 55, with less than 30 years of service, for any reason other than disability, your Pension will be reduced because of the longer period over which Plan benefits will be paid. The reduction is .5% for each month of retirement before age 55.



EXAMPLES

Following are examples of Pension payments for an employee retiring at different ages. These examples exclude the Survivor Benefit.

Example 1

- A. Employee not participating in MOST retires at age 60 with 25 years of service and \$30,000 five year average. Social Security wage base is \$39,600.

$$(1.39\% \times \$30,000) \times 25 \text{ years} = \$10,425.00/\text{yr.}$$

$$\text{Divided by 12} = \$ 868.75/\text{mo.}$$

- B. Employee not participating in MOST retires at age 60 with 25 years of service and \$45,000 five year average. Social Security wage base is \$42,000 and the amount over that base is \$45,000 minus \$42,000 or \$3,000.

$$(1.39\% \times \$42,000) \times 25 \text{ years} = \$14,595.00$$

$$(1.54\% \times \$ 3,000) \times 25 \text{ years} = \$ 1,155.00$$

$$\$15,750.00/\text{yr.}$$

$$\text{Divided by 12} = \$ 1,312.50/\text{mo.}$$

Example 2

- A. Employee participating in MOST retires at age 60 with 25 years of service and a five year average of \$30,000 minus MOST five year average of \$100. Social Security wage base is \$42,000.

$$(1.39\% \times \$29,900) \times 25 \text{ years} = \$10,390.25$$

$$(1.54\% \times \$ 100) \times 25 \text{ years} = \$ 38.50$$

$$\$10,428.75/\text{yr.}$$

$$\text{Divided by 12} = \$ 869.06/\text{mo.}$$

- B. Employee participating in MOST retires at age 60 with 25 years of service and a five year average of \$45,000 (including all MOST contributions). Social Security wage base is \$42,000.

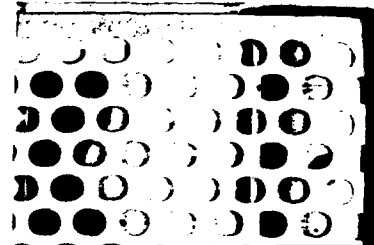
(Figured same as Example 1B above.)

Example 3 (Reduced Service Pension)

- A. Employee not participating in MOST retires at age 50 with 25 years of service and a five year average of \$30,000. Social Security wage base is \$42,000.

$$(1.39\% \times \$30,000) \times 25 \text{ years} = \$10,425.00/\text{yr.}$$
$$\text{Divided by 12} = \$ 868.75/\text{mo.}$$

$$.5\% \times 60 \text{ (months under 55)} = 30\% \text{ reduction}$$
$$70\% \times \$868.75 = \$ 608.13/\text{mo}$$



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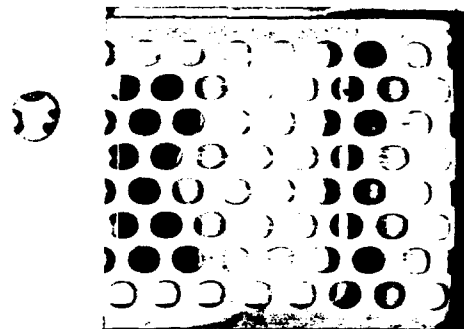
DEFERRED SERVICE PENSION (Vesting)

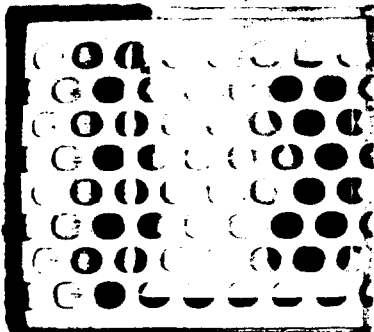
Any employee who has completed 10 years or more of service (5 years or more effective January 1, 1980) and who leaves the service of the

MISCELLANEOUS PENSION PROVISIONS

Recent tax law changes affect our plan and the taxation of your benefits in the following ways:

- Beginning in 1987, employees whose adjusted gross incomes exceed certain specified levels are not eligible to make deductible IRA contribution if they are "active participants" in certain pension plans. For purposes of these rules, you are an active participant in the Management Pension Plan if you meet the eligibility requirements of the plan.
- The maximum benefit payable under this plan at Social Security's normal retirement age (now 65 but scheduled to increase gradually to 67) is \$90,000. Any benefit payable before this date





SOCIAL SECURITY

Your full Social Security retirement benefits are payable when you reach age 65 (which is scheduled to increase gradually to age 67). You may apply for benefits as early as age 62, but you will receive a reduced amount because of the longer period over which benefits are likely to be paid. This reduced amount will continue for your lifetime.

In addition to your own Social Security retirement benefits, certain of your dependents may also be eligible to receive monthly payments.

Social Security benefits are not paid automatically. You must apply for them at your local Social Security office. It is recommended that you do this about two months before you plan to collect your benefits.

In the event of your death, your family may be eligible to receive a lump sum and survivor's benefits as described in Section III.

More detailed information on Social Security benefits is contained in booklets which are available at your local Social Security office.

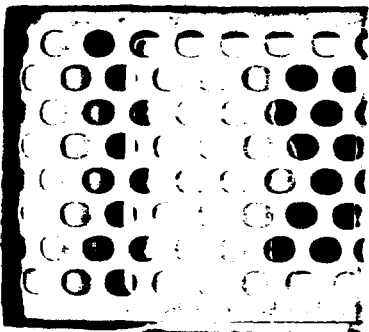
HEALTH CARE OVER 65

If you retire on pension, your health care plan continues to provide the same coverage you receive as an active employee until you reach age 65.

Health care coverage changes to an over 65 plan when you reach age 65 and qualify for Medicare. This plan does not duplicate Medicare, but pays for services not provided by Medicare to bring the total coverage to the same level as the under 65 contract.

If you have a spouse under age 65 or children under age 19, their regular health care will continue.

The Company currently makes contributions towards the cost of the basic health care premiums. However, any differences between the actual cost and the Company contribution, and the premiums for rider coverage, will be deducted from your pension check.



MEDICARE

Medicare, the government health insurance program for people age 65 and over, consists of two plans: the Hospital Insurance (Basic) Plan and the Supplementary Medical Insurance (Voluntary) Plan.

Here is a brief description of both plans. More detailed information, including the procedure for filing Medicare claims, is available in the Medicare Handbook which you may obtain at your local Social Security office.

Hospital Insurance (Basic) Plan (Plan A)

The Hospital Insurance Plan helps to pay for a variety of expenses: among them, hospitalization, diagnostic out-patient services and post-hospital extended care in a qualified nursing home or extended care section of a hospital.

Enrollment is automatic when you reach age 65, providing you are receiving monthly Social Security checks. If you are not receiving Social Security, you must apply for this coverage at your local Social Security office.

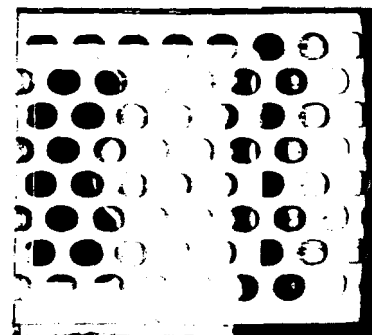
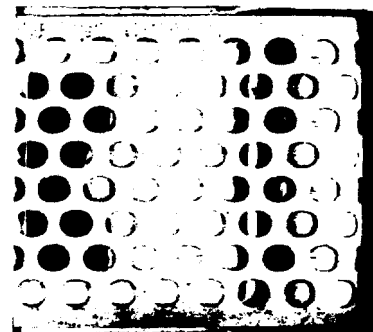
There is no premium charge for Medicare's Basic Plan. It is financed out of Social Security taxes, paid by both employees and employers.

Supplementary Medical Insurance (Voluntary) Plan (Plan B)

This Plan helps to pay for doctors' bills and certain other medical expenses not covered under the Hospital Insurance Plan.

Enrollment is not automatic. To obtain this coverage as soon as you or a dependent reach 65, you or the dependent must enroll during the three-month period just before the month in which you reach 65.

You may pay a monthly premium for coverage under Plan B. Premiums are deducted from your Social Security checks. Rochester Telephone currently reimburses you on a quarterly basis for this premium paid by both you and your spouse at age 65.



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EXTRAORDINARY MEDICAL EXPENSE PLAN (EME)

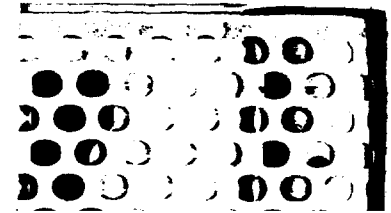
Your EME coverage continues after you retire and the Company cur-

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Benefit Level

The amount of the benefit that may be paid to an eligible retired employee in any one calendar year shall not exceed \$125.00. In the last



BASIC GROUP LIFE INSURANCE

After you retire on pension, your Basic Group Life Insurance will continue if you are insured all the time you are eligible after you reach age 45. However, the provisions for dismemberment benefits and double indemnity for accidental death stop as soon as you retire. The Company currently pays the cost of this coverage.

Here are the amounts of your group life coverage after retirement at age 65.

- While age 65, 100% of your life insurance stays in effect.
- On your 66th birthday, your insurance is reduced by 10%.
- On each of the next four anniversaries of this date, your insurance is reduced by the same amount.
- Thereafter, 50% of the basic group life insurance you had at retirement will be continued without further reduction. In no case will the insurance be reduced below \$1,500.00.

For example:

Your Retirement Coverage Is:

If Basic Group Life Insurance at Retirement is:	Age					
	65	66	67	68	69	70 +
\$20,000	\$20,000	\$18,000	\$16,000	\$14,000	\$12,000	\$10,000
30,000	30,000	27,000	24,000	21,000	18,000	15,000
40,000	40,000	36,000	32,000	28,000	24,000	20,000
50,000	50,000	45,000	40,000	35,000	30,000	25,000

Important: If you retire prior to age 65, your life insurance benefit will remain at the same value as if you were an active employee. Reductions as described above, do not start until retirement at age 66.

SUPPLEMENTARY GROUP LIFE INSURANCE

If you retire on pension prior to age 65, your full supplementary group life insurance will remain in effect until you reach age 65, provided you are insured all the time you are eligible after age 45. Supplementary coverage ends at age 65. While supplementary coverage is in effect, you continue to make regular contributions to its cost. These are deducted from your pension check.

DISCOUNTED TELEPHONE SERVICE

If you retire on a service pension, with at least 20 years of service, you will receive 100% discount on your local telephone service. You will also receive up to \$35.00 free toll service to points within the Rochester Telephone operating territory, providing you reside within this territory.

If you retire on a service pension with less than 20 years of service, you will receive a 50% discount on your telephone service; however, there is no discount or other allowance in tolls.

In general, the discount applies to most basic items of regular telephone service, and any connection charges associated with these items.

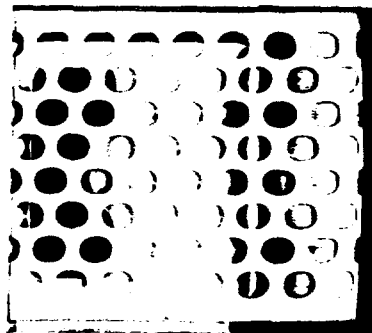
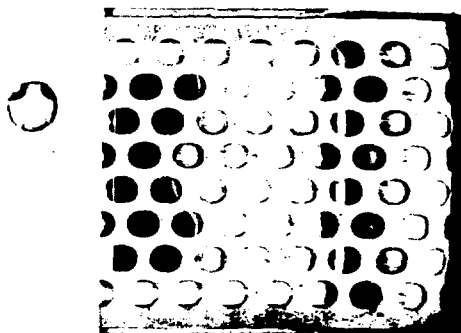
DEATH BENEFIT

The death benefit is another important provision of the Company's program of benefits after retirement on pension. It is provided at no cost under the Management Pension Plan.

A death benefit, equal to one full year's pay at the rate of pay at the time of retirement, is payable to a qualified beneficiary. (For more details, see Section III).

FAMILY LIFE INSURANCE

When you retire on pension, your Family Life Insurance will continue until you are age 65. While Family Life Insurance is in effect, you continue to make regular contributions to its cost. These are deducted from your pension check. (For more details, see Section I).



EXAMPLE OF RETIREMENT BENEFITS

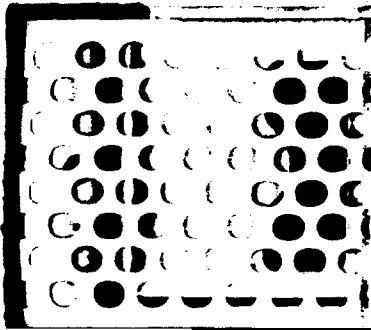
Here is an example showing how your retirement benefits work for you.

Tom, age 65, retired after 40 years of service. His average pay during his last five consecutive years was \$35,000.

Here is Tom's total monthly retirement benefits.

(1.39% of \$35,000) X 40 yrs.	= \$19,460.00
Less 10% Survivor Benefit	\$ 1,946.00
Computed Annual Pension	\$17,514.00
Monthly Pension	\$ 1,459.50

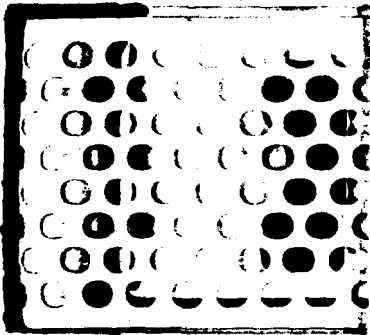
After Tom's death, his wife would receive the following benefits for the



SUMMARY

The Company currently pays the entire cost of the majority of benefits for employees retired on pension.

Service Pension Extraordinary Medical Expense Plan Employee Medical Reimbursement Basic Group Life Insurance Death Benefit	Company currently pays entire cost.
Discounted Telephone Service	100% for basic items of telephone service for retired employees with at least 20 years of service: including \$35.00 toll allowance per month for calls within RTC territory. 50% for basic items of telephone service for retired employees with less than 20 years service: no toll allowance.
Supplemental Group Life Insurance Family Life Insurance (coverage ends at age 65)	Company pays all administrative costs. Retirees pay premium.
Health Care Riders	Retirees pay premium.
Health Care Plan	Company currently pays full cost of over 65 coverage and for employees retired prior to 1/1/86. Retirements after this date share premium increases.
Social Security Medicare - Part A Medicare - Part B	Active employees and employer share cost equally. Company currently reimburses employee, retiree and spouse over 65 for Part B.



THE TELEPHONE PIONEERS OF AMERICA

The Telephone Pioneers of America is the organization which binds together those men and women who have served in the telephone industry for at least 17 years, which will reduce gradually to 15 years by 1989. Founded in 1911, it was organized as an expression of fellowship. Down through the years it has united men and women such as you and your associates for the three-fold purpose of Fellowship, Loyalty to one another, and Service to each other and to the community at large.

Rochester Telephone employees who were members in good standing of Genesee Chapter, Telephone Pioneers of America, for the twenty-four months immediately preceding retirement, automatically become life members. Other employees must meet the Association's Executive Committee requirements in order to become life members.

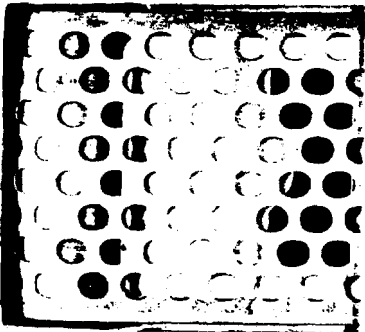
As a retired employee you may, if you wish, continue to be active in the Pioneers. You shall decide the new role you will play in this great organization. Genesee Chapter, or the chapter in the locality to which you travel, will provide the opportunity.

As a long-time member of the telephone family, your career has been marked by service to others. It is fitting therefore as a life member that you, if you are so minded, continue to help others through community services. Your Life Member Club will inform you of the various activities in which you can participate.

If you establish permanent residence in the territory of another chapter, you may affiliate with the chapter there, receiving full membership in the Life Member Club while retaining the privileges of Genesee Chapter. If you prefer, you can transfer from the Genesee Chapter to the chapter in the territory of your new home.

The Pioneer tradition at Rochester Telephone has become a part of the lives of over nineteen hundred people, an impressive jump from the of its birth, 1921, when there were only eight members. The Genesee Chapter is one of eight chapters in New York State and one of ninety-eight in the United States and Canada. Rochester Telephone is the only independent telephone company which has its own chapter.

If you have any questions about the Pioneers, contact the Administrator of the Genesee Chapter.



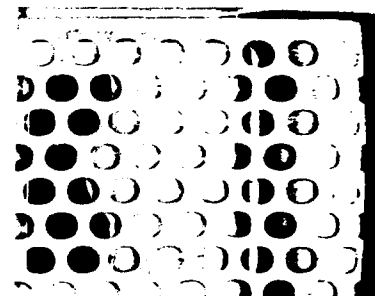
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COMMUNITY SERVICE ACTIVITIES

Many employees of Rochester Telephone participate in community service activities. Some activities require the possession of specific skills, while other activities require only that volunteers occasionally donate a few hours of their time.

There are many activities in which volunteers participate including



Change of Address

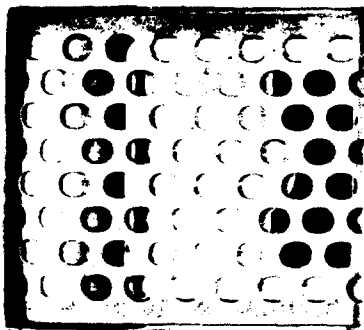
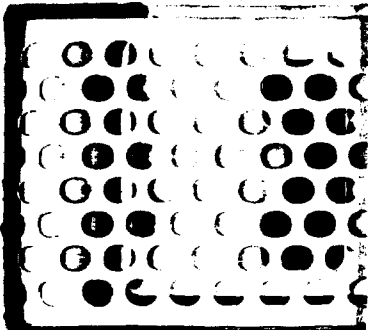
If you change your mailing address, even temporarily, it is important that you promptly notify the Benefit Office, so that your pension checks and other material will reach you without delay.

The Rochester Telephone News Letter - Tie Line

As a retired employee of Rochester Telephone, you will receive each copy of The Rochester Telephone Tie Line. By reading the Tie Line you can keep informed about the plans and activities of your Company, other employees and the Telephone Pioneers.

Vitamins

You may continue to obtain vitamins from the Benefit Office.



AGREEMENT

between

**ROCHESTER TELEPHONE WORKERS
ASSOCIATION**



and

**ROCHESTER TELEPHONE
CORPORATION**



RochesterTelephone

Effective
August 12, 1991

ARTICLE 23

Plan for Employees' Pensions, Disability Benefits and Death Benefits

FIRST: Except as provided in this Article there shall be no negotiations during the life of this agreement upon changes in pensions or any other subject covered by the existing "Plan for Employees' Pensions, Disability Benefits and Death Benefits".

SECOND: In the event, during the life of this agreement, the Company proposes to exercise the right provided in Section 10 of the existing "Plan for Employees' Pensions, Disability Benefits and Death Benefits" by action affecting the benefits or privileges of employees represented by the Association, it will before doing so notify the Association of its proposal and afford the Association a period of sixty (60) calendar days for bargaining on said proposal; provided, however, that if the Company's proposal would not reduce or diminish the benefits or privileges provided thereunder the Company may in the absence of agreement with the Association put such proposal into effect at the end of such sixty day period; and provided further, that no change may be made in the Plan which would reduce or diminish the benefits or privileges provided thereunder as they apply to employees represented by the Association without its consent.

THIRD: Any dispute on the question only of whether a Company proposal under paragraph SECOND of this article would reduce or diminish the benefits or privileges provided in the Plan may be submitted to the arbitration procedure of this agreement. However, nothing herein shall be construed to subject the Plan or its administration or the terms of a proposed change in the Plan to arbitration. The Company shall have the right at any time to make any changes in the administration of the Plan if such changes do not affect the benefits or privileges provided thereunder.

FOURTH: Effective August 12, 1991, the Employees' Pension Plan formulas will be improved as follows:

Formula #1

1.2625% of the highest five (5) year average pay multiplied by all years of service up to age 52 and by service after age 62; plus 1.5655% of the highest five (5) year average pay multiplied by the last ten (10) years of service after age 52 (maximum of 10 years).

Alternate Formula

1.15% of the highest five (5) year average pay multiplied by all years of service; plus .3% of the highest five (5) year average pay in excess of the Social Security "covered compensation base" multiplied times all years of service.

FIFTH: *Savings Plan*

Effective January 1, 1992, the Company will implement a Savings Plan for employees covered by this Agreement. The Plan will be for pre-tax savings. The Company shall, at its sole discretion, design, implement and administer this Plan subject to the applicable

Eligibility: Age 21 and 1 year of service.

Employee Contributions: Voluntary contributions of any whole percentage of base compensation during a payroll period up to legally allowed maximums.

Employer Contributions: None except that the employer shall bear the costs of establishing and administering the Plan.

Vesting: 100% in all contributions at all times.

Investments: Two investment options will be provided for pre-tax savings. Typically, one option would be an interest income account that contains an annual guaranteed rate of return. The second would be a specific investment such as Rochester Telephone Common Stock. Investments can be split between the two funds, and within the pre-tax options, in increments of 25%. Contribution rates can be changed or investment elections changed no more often than in a six (6) month interval.

Distributions: Lump sum, installment payments or an annuity upon termination of employment due to retirement, death, disability or other reasons.

In Service Distributions: Pre-tax contributions, which are fully taxable and subject in most cases to the 10% tax penalty, can only be withdrawn for specific "financial hardship" reasons which, according to IRS statutes, must be certified.

All questions arising in connection with the Plan other than the Company's determination of eligibility of employees to participate in the Plan are specifically excluded from the grievance and arbitration procedure outlined in this Agreement.

The Company reserves the right to change the terms of the Plan as may, in its judgement, be appropriate to comply with the regulations or statutes governing the Plan.

SIXTH: *Stock Purchase Plan*

Effective January 1, 1992, the Company will implement a payroll deduction Stock Purchase Plan for employees covered by this Agreement. Under the Stock Purchase Plan, employees will be provided with the opportunity to purchase shares of Rochester Telephone common stock through payroll deduction. The Company will pay the administrative costs associated with the Plan. The provisions of this Plan will include but not be limited to the following:

Deductions will be in whole dollar amounts, with a minimum deduction of \$5.00 per week.

Payroll deductions changes may occur once a month.

Stock dividends will be reinvested to purchase additional shares of Rochester Telephone common stock.

Employees participating in the Stock Purchase Plan may buy additional shares of stock